

Self-Direction: Common Law vs Co-Employer



Family Support 360 Waiver

Common Law

You, the recipient of services or your representative, would serve as the employer of record, and a Financial Management Service provider would take care of the IRS paperwork, payroll, and the new hire process



You, the recipient of services or your representative, are responsible for hiring, training, and terminating employees. A Financial Management Service provider will help with payroll and taxes, new hire documentation, and any IRS documentation that applies to your employee



The Financial Management Service provider will assist you, the recipient of services or your representative, with complying with all relevant state and federal laws and regulations concerning employment



You or your representative, as the employer, determines the number of hours your employee can work

Fair Labor Standards Act provides protections for workers hours worked in a work week



Co- Employer

You, the recipient of services or your representative, shares the employment relationship with the Co-Employer provider, but ultimately the Co-Employer provider is considered the employer of record and is responsible for IRS paperwork and payroll

You, the recipient of services or your representative, will select your employee and the Co-Employer provider will issue paychecks, complete new hire documentation, and manage any IRS documentation that applies to your employee

The Co-Employer provider is responsible for complying with all relevant state and federal laws and regulations concerning employment

Your employee may be subject to hourly limits set forth through policies of the Co-Employer provider

Fair Labor Standards Act provides protections for workers hours worked in a work week



To learn more about the Fair Labor Standards Act visit <https://www.dol.gov/agencies/whd/flsa>

For more information contact the Division of Developmental Disabilities at 1-833-633-9773 or at DDDIntakeProcess@state.sd.us